

WELFARE TO WORK VOUCHER PROGRAM FINAL REPORT

EXECUTIVE SUMMARY

The U.S. Department of Housing and Urban Development (HUD) and its public housing agency (PHA) partners have long advocated that stable, affordable housing is a critical and often missing factor in a low-income family's transition from welfare to self-sufficiency. In response, the 1999 HUD Appropriations Act provided \$283 million to support a 50,000-unit Welfare to Work (WtW) Voucher Program. The purpose of the program is to help eligible families make the transition from welfare to work by reducing some of the barriers that low-income families face as they move toward self-sufficiency. These barriers may include overcrowded, unstable, or unsafe housing; housing far from work, childcare, and public transportation; escalating rents; and working wages that are disproportionate to the rising cost of housing. Not only is this WtW voucher allocation the first significant increase in federal housing assistance in five years, but it also provides HUD and its PHA partners with an exciting opportunity to demonstrate the impact of tenant-based housing assistance on a family's ability to obtain and retain employment.

Of the \$283 million appropriated for this program, HUD targeted \$248.2 million to PHAs, tribes, or tribally designated housing entities (TDHEs) through a Notice of Funding Availability (NOFA) competitive grant published in the Federal Register on January 28, 1999. In the HUD Appropriations Act, Congress targeted approximately \$32 million to eight "set-aside" sites: Anchorage (AK), San Bernardino County (CA), Miami-Dade County (FL), Prince Georges County (MD), Kansas City (MO), Charlotte (NC), New York (NY), and Cleveland (OH). As mandated by Congress, \$2.82 million funds a comprehensive, long-term evaluation of the effects of providing WtW voucher assistance. The evaluation is a rigorous study, with eligible families assigned to assisted and control groups, to examine the effects of housing assistance on employment and welfare status. The eight WtW "set-aside" sites are participating in the evaluation on a voluntary basis.

During the summer of 1999, HUD awarded 121 WtW grants to 129 agencies. Of these, HUD awarded funds to support seven joint applications, where two or more PHAs partnered to submit one application. These 129 agencies began implementation of their programs between November 1, 1999 and January 1, 2000. In December 1999, HUD awarded a contract to Quadel Consulting Corporation to provide a broad-range of technical assistance to WtW sites during the first year of program implementation. Technical assistance activities included conducting a two-day national conference, developing and maintaining a hotline and WtW Web site, conducting a telephone conference series, coordinating field office workshops, and providing telephone and on-site technical assistance to grantees.

The WtW voucher program has two distinguishing characteristics that create both opportunities and challenges for PHAs managing the program. First, the program

demands real, working partnerships with local supportive services agencies and employers. In particular, HUD required PHAs to develop the WtW voucher program in coordination with local agencies administering Temporary Assistance to Needy Families (TANF) funds and Department of Labor (DOL) welfare-to-work formula or competitive grants. HUD also encourages PHAs to work with other partners, including other government agencies, the business community, faith-based organizations, universities, non-profits and other supportive service providers. Second, the program offers a high-degree of flexibility to design a program that meets local needs and priorities related to housing and welfare-to-work programming. This latitude in program design and implementation has resulted in a wide-range of program models; no two programs are alike.

Because the WtW voucher program represents the first significant increase in voucher funding in recent years, it is a prime target for HUD's efforts to increase overall voucher utilization rates. Initially, HUD gave PHAs 12 months from the effective date of their WtW annual contributions contract (ACC) to lease all units under the program. In November of 2000, HUD extended the leasing deadline for all WtW PHAs to June 20, 2001. HUD provided this extension to allow PHAs to take advantage of new fair market rent (FMR) policies approved by HUD to address the problems that extremely tight housing markets and rising housing costs have posed to voucher holders searching for affordable housing.

In all, the WtW Voucher Program proved to be an innovative, and successful program during its first year, promising to continue as a viable program in the years to come.